

Terms of Reference – Remuneration Committee

1. Membership

- 1.1. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chair of the Remuneration Committee. The Committee shall be made up of at least 3 members, all of whom are independent non-executive directors. The Chair of the Board may also serve on the Committee as an additional member if he or she was considered independent on appointment as Chair.
- 1.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Head of Human Resources, the Chair and external advisers may be invited to attend for all or part of any meeting as and when appropriate and necessary. Non-executive directors shall have a standing invitation to attend meetings unless they are notified otherwise.
- 1.3. Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided the director still meets with criteria for membership of the Committee.
- 1.4. The Board shall appoint the Committee Chair who shall be an independent non-executive director and who has served on a remuneration committee for at least 12 months. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The Chair of the Board shall not be Chair of the Committee.

2. Secretary

- 2.1. The Company Secretary or their nominee shall act as the Secretary of the Committee and will ensure that the Committee received information and papers in a timely manner to enable full and proper consideration to be given to the issues.

3. Quorum

- 3.1. The quorum necessary for the transaction of business shall be 2. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4. Meetings

- 4.1. The Committee shall meet at least twice a year normally to coincide with the date of Board meetings in those months and at such other times as the Chair of the Committee shall require.

5. Notice of Meetings

- 5.1. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members.
- 5.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-

executive directors, no later than 5 days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6. Minutes of Meetings

- 6.1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless a conflict of interest exists.

7. Engagement with Shareholders

- 7.1. The Chair of the Committee should attend the annual general meeting to answer any shareholder questions on the Committees activities. In addition, the Chair of the Committee should seek engagement with shareholders on significant matters related to the Committees areas of responsibilities.

8. Duties

The Committee shall:

- 8.1. determine and agree with the Board and ensure shareholder approval of the remuneration policy for all the executive directors and the Company's Chair including pension rights and compensation payments and review workforce remuneration and related policies. The remuneration of non-executive directors (except the Chair) shall be a matter for the Board (within the parameters of the Articles of Association). No director or manager shall be involved in any decisions as to their own remuneration;
- 8.2. in determining such policy, take into account all factors which it deems necessary which should include relevant legal, regulatory and corporate governance best practice requirements and reviewing and having regard to the workforce remuneration and related policies across the group. The key principles of such policy are to ensure that remuneration;
 - is sufficient to attract and retain executives of the ability and expertise necessary to achieve the strategic goals of the Company and promote long-term sustainable success.
 - incentivises executives by rewarding performance and driving the right behaviours.
 - is aligned to the Company purpose, values and culture.
 - is aligned with the experience of shareholders.
- 8.3. review the ongoing appropriateness and relevance of the remuneration policy and ensure that it enables the use of discretion to avoid formulaic outcomes and the recovery and/or withholding of sums or share awards in specified circumstances;
- 8.4. approve the design of, and determine targets for, any performance related pay schemes operated by the Company for the benefit of the executive directors and the executive committee and approve the total annual payments made under such schemes;
- 8.5. review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors and other participants and the performance targets to be used, on an annual

basis assess the extent to which the executive directors and the executive committee have met their respective shareholding requirements;

- 8.6. ensure that the UK Corporate Governance Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture are considered when determining remuneration policies and practices for executive directors. This includes ensuring contractual terms on termination, and any payments made, are fair to the individual, and the Company, that poor performance and failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 8.7. within the terms of the agreed policy and in consultation with the Chair and/or Chief Executive as appropriate, determine the Chair's fees and other elements of his remuneration and the total individual remuneration package of each executive director and each member of the executive committee including bonuses, pension rights incentive payments and share options or other share awards;
- 8.8. develop formal policies for executive director shareholding requirements during employment and post-employment encompassing both unvested and vested shares;
- 8.9. review and note annually the remuneration trends across the Company or group;
- 8.10. oversee any major changes in employee benefits structures throughout the Company or group;
- 8.11. agree the policy for authorising claims for expenses from the executive directors and Chair;
- 8.12. ensure that all legislative provisions and corporate governance best practice requirements regarding disclosure of remuneration including pensions are fulfilled; and
- 8.13. be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee: and to obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.
- 8.14. seek engagement with shareholders on significant matters including if 20% or more of annual general meeting votes are cast against a remuneration related resolution.
- 8.15. work and liaise as a necessary with other Board Committees, ensuring the interaction between Committees and with the Board is reviewed regularly.

9. Reporting Responsibilities

- 9.1. The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be available for board discussion when necessary.
- 9.3. The Committee shall produce an annual report of the Company's remuneration policy and practices and a description of its work and activities (including engagement that has taken place with shareholders and the workforce) which will form part of the Company's Annual Report and ensure each year that it is put to shareholders for approval at the AGM.

- 9.4 The Committee shall also ensure that the provisions regarding disclosure of information as set out in The Companies (Directors' Remuneration Policy and Director's Remuneration Report) Regulations 2019 and the UK Corporate Governance Code are fulfilled.
- 9.5 If the Committee has appointed remuneration consultants, the consultant should be identified in the annual report alongside a statement about any other connection it has with the Company or individual directors.

10. Other Matters

- 10.1. The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 10.2 Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for advice and assistance as required.
- 10.3 Be provided with appropriate and timely training, both in the form of an induction programme for new members and ongoing basis for all members.
- 10.4 Give due consideration to all relevant laws and regulations, the provisions of the UK Corporate Governance Code and published guidelines or recommendations regarding the remuneration of company directors and the formation and operation of share incentive plans, the requirements of the FCA's Listing Rules, Prospectus Rules, Disclosure Guidance and Transparency rules sourcebook, and any other applicable rules, as appropriate.
- 10.5 Ensure that a periodic evaluation of the Committee's own performance is carried out.

11. Authority

- 11.1. The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.
- 11.2. In connection with its duties the Committee is authorised by the Board to obtain, at the Company's expense, any outside legal or other professional advice.

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